

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
W. R. GRACE & CO., et al.,¹) Case No. 01-01139 (JJF)
) (Jointly Administered)
)
Debtors.)

**SUMMARY OF THE VERIFIED APPLICATION OF KIRKLAND & ELLIS FOR
COMPENSATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES
AS BANKRUPTCY COUNSEL TO W. R. GRACE & CO., ET AL., FOR
THE FIRST MONTHLY INTERIM PERIOD
FROM JULY 1, 2001 THROUGH JULY 31, 2001, FOR
THE QUARTER OF JULY-SEPTEMBER, 2001**

Name of Applicant: **Kirkland & Ellis**

Authorized to Provide Professional Services to: **W. R. Grace & Co., et al., Debtors and
Debtors-in-Possession**

Date of Retention: **Retention Order entered May 3, 2001,
effective as of April 2, 2001.**

Period for which compensation and
reimbursement is sought: **July 1, 2001 through July 31, 2001**

Amount of Compensation sought as actual,
reasonable, and necessary: **\$501,894.63**

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

This is a X monthly ___ interim ___ final application.

The total time expended for the preparation of this application is approximately 50 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$10,000.00.

This is the first monthly application for interim compensation of services filed for the September-July quarters with the Bankruptcy Court in the Chapter 11 Cases.² The following applications have been filed:

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
May 29, 2001	4/2 - 4/30/01	\$626,079.00	\$32,439.84	pending	pending
June 29, 2001	5/1 - 5/31/01	\$567,151.00	\$77,487.86	pending	pending
July 31, 2001	6/1 - 6/30/01	\$560,569.50	\$45,466.13	pending	pending
July 31, 2001	April - June, 2001	\$1,753,799.50	\$155,393.83	pending	pending

K&E has filed certificates of no objection with respect to the interim monthly Applications for April, May and June 2001, respectively, because no objections were filed within the respective objection periods. The Application for the interim period from April 2, 2001, through June 31, 2001, has been scheduled for the next hearing, which is currently set for September 20, 2001.

The K&E attorneys who rendered professional services in these cases during the Fee Period are:

² Any capitalized terms not defined herein have the meaning ascribed to them in the Verified Application of Kirkland & Ellis for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel to W. R. Grace & Co., et al., for the First Monthly Interim Period from July 1, 2001 through July 30, 2001 for the Quarter of July-September, 2001.

Name of Professional Person	Position with the applicant	Number of years as an attorney	Department	Hourly billing rate	Total billed hours	Total compensation
James Sprayregen	Partner	16 Years	Bankruptcy	\$625.00	3.90	\$2,437.50
Bennett Spiegel	Partner	17 Years	Bankruptcy	\$445.00	6.90	\$3,070.50
Joseph Schorer	Of Counsel	23 Years	Bankruptcy	\$495.00	1.00	\$495.00
Janet Baer	Partner	19 Years	Bankruptcy	\$495.00	88.80	\$43,956.00
James Kapp III	Associate	7 Years	Bankruptcy	\$415.00	164.20	\$68,143.00
Samuel Schwartz	Associate	4 Years	Bankruptcy	\$360.00	185.70	\$66,852.00
Deanna D. Boll	Associate	3 Years	Bankruptcy	\$360.00	1.00	\$360.00
Roger Higgins	Associate	5 Years	Bankruptcy	\$320.00	35.30	\$11,296.00
Jacqueline Sloan	Associate	6 Years	Bankruptcy	\$280.00	3.00	\$840.00
Matthew Antinossi	Associate	2 Years	Employee Benefits	\$295.00	2.80	\$826.00
David M. Bernick	Partner	23 Years	Litigation	\$655.00	85.60	\$56,068.00
Brant Bishop	Associate	5 Years	Litigation	\$350.00	5.40	\$1,890.00
Michelle Browdy	Partner	11 Years	Litigation	\$400.00	56.70	\$22,680.00
Robert Buday	Partner	10 Years	Real Estate	\$410.00	1.00	\$410.00
David Codevilla	Associate	5 Years	Environmental	\$340.00	4.60	\$1,564.00
Brain Davis	Associate	3 Years	Real Estate	\$295.00	2.50	\$737.50
Thomas Day	Associate	1 Year	Tax	\$280.00	1.50	\$420.00
Kellye Fabian	Associate	1 Year	Litigation	\$230.00	90.10	\$20,723.00
Jonathan Goldstein	Law Clerk	1 Month	General	\$125.00	9.00	\$1,125.00
Mark Grummer	Partner	25 Years	Environmental	\$365.00	56.20	\$20,513.00
Timothy Hardy	Partner	29 Years	Environmental	\$445.00	26.80	\$11,926.00
Vicki Hood	Partner	24 Years	Employee Benefits	\$510.00	0.60	\$306.00
Daryl Joseffer	Associate	6 Years	Litigation	\$335.00	4.00	\$1,340.00
Natalie Keller	Associate	4 Years	Tax	\$365.00	36.80	\$14,168.00
Elli Leibenstein	Partner	9 Years	Litigation	\$355.00	6.60	\$2,343.00

Name of Professional Person	Position with the applicant	Number of years as an attorney	Department	Hourly billing rate	Total billed hours	Total compensation
Brian Lutz	Law Clerk	3 Month	Corporate	\$145.00	8.30	\$1,203.50
Todd Maynes	Partner	14 Years	Tax	\$515.00	4.80	\$2,472.00
Scott McMillin	Associate	5 Years	Litigation	\$350.00	47.80	\$16,730.00
J. Chad Mitchell	Associate	3 Years	Litigation	\$300.00	2.90	\$870.00
Yvette Ney	Law Clerk	2 Month	Litigation	\$125.00	153.50	\$19,187.50
Sven Nylén	Law Clerk	2 Month	Real Estate	\$140.00	17.50	\$2,450.00
Reed Oslan	Partner	14 Years	Litigation	\$445.00	9.80	\$4,361.00
Andrew Running	Partner	19 Years	Litigation	\$470.00	38.50	\$18,095.00
Douglas Smith	Associate	5 Years	Litigation	\$330.00	1.00	\$330.00
Christopher Sullivan	Associate	6 Years	Litigation	\$365.00	66.70	\$24,345.50
P. Renee Wicklund	Associate	3 Years	Litigation	\$300.00	10.60	\$3,180.00

The paraprofessionals of K&E who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the applicant	Number of years as an attorney	Department	Hourly billing rate	Total billed hours	Total compensation
Elizabeth Cox Arnold	Legal Assistant	12 Years	Bankruptcy	\$150.00	0.70	\$105.00
Brigitte Windley	Legal Assistant	4 Years	Bankruptcy	\$150.00	23.30	\$3,495.00
David Delsignore	Project Assistant	1 Year	Bankruptcy	\$70.00	1.00	\$70.00
Sabrina Mitchell	Project Assistant	5 Months	Bankruptcy	\$70.00	62.60	\$4,382.00
Jennifer McClintock	Project Assistant	2 Months	Bankruptcy	\$85.00	1.00	\$85.00
Daniel Bennett	Project Assistant	1 Month	Litigation	\$70.00	30.50	\$2,135.00

Name of Professional Person	Position with the applicant	Number of years as an attorney	Department	Hourly billing rate	Total billed hours	Total compensation
Aaron Birnbaum	Project Assistant	1 Year	Litigation	\$70.00	50.00	\$3,500.00
Susan Polk	Legal Assistant	16 Years	Tax	\$180.00	2.00	\$360.00
Shirley Pope	Legal Assistant	16 Years	Litigation	\$155.00	84.50	\$13,097.50
Marcela Romero	Case Assistant	1 Year	Corporate	\$65.00	0.80	\$52.00
Kathy Sorce	Legal Assistant	6 Years	Litigation	\$125.00	4.00	\$500.00
Charisma Starr	Administrative	6 Months	Litigation	\$100.00	4.30	\$430.00
Kenneth Toth	Case Assistant	8 Years	Litigation	\$65.00	0.80	\$52.00
Library Bibliographic Research				\$110.00	5.00	\$550.00
Library Business/Ind. Research				\$110.00	0.50	\$55.00

Grand Total for Fees: \$476,582.

Blended Rate: \$315.12

Compensation by Matter

Matter Number	Matter	Total Hours	Total Fees Requested
16	Asset Analysis and Recovery	66.10	\$22,593.00
17	Automatic Stay Matters/Relief from Stay Proceedings	35.80	\$11,546.00
20	Case Administration	308.40	\$63,677.50
21	Claim Estimate, Objection and Resolution	121.10	\$51,022.50
22	Contested Matters/Adversary Proceedings	601.80	\$194,367.50
23	Corporate and Securities Matters	1.30	\$812.50
24	Creditors/Noteholders Committee	33.80	\$13,275.00
25	Creditors/Shareholders Committee	23.30	\$8,243.50
26	DIP Financing/Cash Collateral	1.40	\$581.00
27	Employee Matters	25.90	\$9,464.50
28	Environmental Issues	10.30	\$4,786.00
29	File, Docket, Calendar Maintenance	19.90	\$1,807.00
30	Hearings	50.50	\$22,146.00
31	Intellectual Property	0.30	\$124.50
32	K&E Fee Application, Preparation of	47.50	\$8,954.50
33	Lease Rejection Claims	11.50	\$4,244.50
34	Lien Issues	4.80	\$1,687.00
35	Other Fee Applications	4.70	\$1,796.50
36	Reclamation Claims	18.90	\$6,627.50
37	Reorganization Plan/Disclosure Statement/Confirmation Issues	10.10	\$3,754.50
38	Retention of Professionals/Fees	22.80	\$8,873.50
39	Schedules/Statement of Financial Affairs	16.00	\$6,462.00
42	Travel	11.80	\$6,460.50
43	Use, Sale or Lease/Abandonment Property	2.60	\$1,625.00
44	U.S. Trustee	2.00	\$720.00
45	Utilities	2.30	\$855.50
46	IRS Tax Litigation	57.50	\$20,075.00

Expense Summary

<u>Description</u>	<u>Amount</u>
Telephone	\$2,432.66
Facsimile Charges	\$735.89
Standard Copies	\$1,378.70
Binding	\$35.00
Outside Messenger Service	\$315.30
Tabs/Indexes/Dividers	\$20.60
Postage	\$6.24
Local Transportation	\$48.37
Travel Meals	\$336.42
Overnight Delivery	\$932.14
Travel Expense	\$2,360.67
Airfare	\$8,900.92
Travel to/from Airport	\$1,379.23
Other Travel Expenses	\$45.50
Computer Database Research	\$1,912.62
Library Document Procurement	\$130.00
Information Broker Services	\$2,235.35
Working Meals	\$178.46
Overtime Meals	\$63.00
Overtime Meals- Attorney	\$86.77
Overtime Transportation	\$197.50
Secretarial Overtime	\$1,580.79
Total	\$25,312.13

Expenses- Summary (July 2001)

<u>Description</u>	<u>Amount</u>
Telephone	\$2,432.66
Facsimile Charges	\$735.89
Standard Copies	\$1,378.70
Binding	\$35.00
Outside Messenger Service	\$315.30
Tabs/Indexes/Dividers	\$20.60
Postage	\$6.24
Local Transportation	\$48.37
Travel Meals	\$336.42
Overnight Delivery	\$932.14
Travel Expense	\$2,360.67
Airfare	\$8,900.92
Travel to/from Airport	\$1,379.23
Other Travel Expenses	\$45.50
Computer Database Research	\$1,912.62
Library Document Procurement	\$130.00
Information Broker Services	\$2,235.35
Working Meals	\$178.46
Overtime Meals	\$63.00
Overtime Meals- Attorney	\$86.77
Overtime Transportation	\$197.50
Secretarial Overtime	\$1,580.79
Total	\$25,312.13